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Proceedings of Stockholders  
Cape Fear and Yadkin Valley  
Railroad

1883

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PROCEEDINGS  
OF THE  
ANNUAL MEETING  
OF THE  
STOCKHOLDERS  
OF THE  
Cape Fear and Hackin Valley  
RAILWAY COMPANY.

FAYETTEVILLE, APRIL 5TH, 1883.

FAYETTEVILLE:  
GARRETT & MYROVER, BOOK AND JOB PRINTERS.  
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# OFFICERS OF THE COMPANY. 1882--1883.

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JULIUS A. GRAY,  
PRESIDENT.

JNO. M. ROSE,  
SECRETARY.

HON. GEO. M. ROSE,  
ATTORNEY.

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## DIRECTORS:

|                       |   |                    |
|-----------------------|---|--------------------|
| ROBERT W. DONNELL,    | - | NEW YORK.          |
| COL. K. M. MURCHISON, | - | "                  |
| A. Y. STOKES,         | - | RICHMOND, VA.      |
| W. A. MOORE,          | - | MT. AIRY, N. C.    |
| W. A. LASH,           | - | WALNUT COVE, N. C. |
| J. TURNER MOREHEAD,   | - | LEAKSVILLE, "      |
| JULIUS A. GRAY,       | - | GREENSBORO, "      |
| D. W. C. BENBOW,      | - | " "                |
| EUGENE MOREHEAD,      | - | DURHAM, "          |
| ROBERT T. GRAY,       | - | RALEIGH, "         |
| JNO. D. WILLIAMS,     | - | FAYETTEVILLE, "    |
| E. J. LILLY,          | - | " "                |



# CAPE FEAR AND YADKIN VALLEY RAILWAY.

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## STOCKHOLDERS' MEETING.

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FAYETTEVILLE, N. C., April 5, 1883.

At a meeting of the Stockholders of the Cape Fear and Yadkin Valley Railway Company, held this day according to the provisions of the by-laws of the same, on motion of Julius A. Gray, President of the Company, Major D. G. McRae was called to the Chair, John M. Rose, Secretary of the Company, being *ex officio* Secretary of the meeting of stockholders.

On motion, Major John W. Scott and Col. Murdoch McRae were appointed a committee on proxies, and also to ascertain if a majority of the stock of the Company was represented in this meeting.

For the information of the stockholders a receipt of the Public Treasurer of North Carolina for the payment and a deed of sale by the Commissioners appointed according to law to sell and transfer the State's stock in this Company were read by the Secretary, transferring said stock of the State to Julius A. Gray and his associates, and it was announced that the 5,500 shares of stock heretofore owned by the State were represented by and would be voted upon by Jno. D. Williams for and in behalf of said Gray and his associates. (For copies see appendix.)

The Committee reported that there were 337 shares present in person and 6,652 shares by proxy, making a large

majority of all the stock of the Company represented. Whereupon the Chair declared the meeting as legally constituted for the transaction of business.

The reports of the President, Chief Engineer and General Superintendent, and Secretary, were presented to the meeting, accepted and approved.

On motion of Mr. McKethan, the following resolution was unanimously adopted, viz:

*Resolved*, That in parting with L. C. Jones, Esq., who has been so long connected with this Company, we desire to give expression to our estimate of his politeness and efficiency in business matters, his ability and integrity in office, and his high moral worth as a man. We tender our best wishes in his new sphere of action, and direct our Secretary to spread this resolution upon the Minutes and send Mr. Jones a copy thereof.

On motion of Major Scott, the Secretary of this meeting was directed to cast the vote of the Stockholders for the following persons as Directors for the ensuing year, viz: Robert W. Donnell, K. M. Murchison, A. Y. Stokes, Jno. D. Williams, E. J. Lilly, Robert T. Gray, J. Turner Morehead, W. A. Moore, W. A. Lash, D. W. C. Benbow, Eugene Morehead and Julius A. Gray. The Secretary having voted a ballot for the parties above named, they were duly elected as such Directors.

Mr. Guthrie offered the following resolutions, which were unanimously adopted, viz:

*Resolved*, By the Stockholders of the Cape Fear & Yadkin Valley Railway Company,

1st. That, for the completion of the grading and equipping of the Cape Fear & Yadkin Valley Railway and for the payment of the debts of the Company, the Board of Directors are hereby authorized, empowered and directed to issue, as soon as practicable, bonds of the Company not to exceed Fifteen Thousand Dollars per mile of road, as provided in the amended charter of the Company, and, to secure the payment of said bonds, to execute a mortgage upon all the property of this Company, real and personal, now in the possession or which may hereafter come into the possession of the Company, both real and personal.

2nd. That the Board of Directors are authorized and directed to contract with any person or persons, corporation or corporations, whether such corporation or corporations be composed wholly or in part by the said Directors, for the construction and equipment of the whole, or any part of the Company's main line, or branches, or both, upon such terms and conditions as their judgment may approve.

3rd. To raise the money for the purposes named, the said Directors are

authorized and directed to sell, hypothecate or pledge said bonds and such other securities as the Company may have, on such terms as they may deem expedient, and to allow the use of the road and its rolling stock in the work of construction; and in case the Directors or any of them shall as individuals lend or advance to the Company any money or their individual credit for the purposes named, their said loans or advances or guarantees shall be secured by a pledge or hypothecation of a sufficient amount of said bonds, authorized to be issued as aforesaid, to secure him or them against loss on account of such loan or guarantees, such hypothecation or pledge to be made on such terms as the President and Directors may deem expedient.

On motion of Julius A. Gray, the by-laws of the Company were changed in the following particulars, viz:

In article 1, strike out the word "April" and insert "May", so as to make the annual meeting take place on the first Thursday in May hereafter.

In article 2, make No. 2 read as follows: "The stockholders at each annual meeting shall elect by ballot twelve Directors, who shall elect one of their number President."

In article 3, first line, strike out "three" and insert "six," and in the third line strike out "five" and insert "seven," and add after the word quorum "one of whom shall be elected President pro tem," so as to make the President and any six directors form a quorum, and in his absence any seven directors to form such quorum.

In article 5, in the fourth line, strike out "two" and insert "three"; in the eighth line strike out after the word company, "He shall only be entitled to vote when there is a tie in the Board of Directors." Thus requiring three Directors to call a meeting and allowing the President his vote as a Director.

Make article 9 read as follows: "The fiscal year of the Company shall close on the last day of February in each year, and all books and accounts shall be balanced to that date, and in 30 days thereafter shall be subject to the inspection and examination of the committee appointed by the preceding article. The reports of the officers of the company shall be printed and distributed to the stockholders five days before each annual meeting."

Strike out the 11th article from the by-laws.

Make article 12 read as follows: "All by-laws adopted

by this company are subject to change, alteration, amendment or repeal at any regular meeting of the stockholders."

Messrs. Julius A. Gray, W. A. Guthrie and John D. Williams were appointed a committee to review and revise the by-laws and submit any amendments to the same, that they may deem advisable, and report to the next annual meeting.

Messrs. A. M. Campbell and Wm. Huske were appointed the examining committee under the eighth by-law.

Adjourned.

JNO. M. ROSE, Secretary.

## PRESIDENT'S REPORT.

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REPORT OF THE PRESIDENT AND DIRECTORS OF THE CAPE FEAR  
AND YADKIN VALLEY RAILWAY COMPANY TO THE STOCKHOLD-  
ERS AT THEIR ANNUAL MEETING APRIL 5TH, 1883.

GENTLEMEN:—As “authorized and instructed,” under resolution passed at your last annual meeting, we borrowed in New York \$150,000 upon a pledge of \$300,000 of the Mortgage Bonds of the Company and the personal guarantee of certain gentlemen interested in the completion of your Road. With this amount we paid off the floating debt of the Company, bought a new Engine at a cost of \$12,360 and have carried on the work of grading to the present time.

The earnings of the Road for the last twelve months are \$3,230 54 in excess of the previous year, and operating expenses have increased \$5,345 64. The earnings over operating expenses are \$8,768 93. The road-bed, bridges, trestles and rolling stock are all in much better condition than they have been for many years. The work of grading west of Greensboro has been carried on without intermission, but its progress has been slow on account of the roughness of the country, the hardness of the material to be moved and the inefficiency of our convict force. For while we have nominally had an average of about one hundred men, more than half of them were such as are rejected by the Western North Carolina Railroad Company. There are still two miles to grade before reaching Walnut Cove, which it will take our present force until the middle of the Summer to complete.

The great obstacle to the completion of your Road has, we think, been removed by the recent act of the Legislature

authorizing a sale of the State's stock in this Company, which was ratified in your meeting on the 3rd instant. Capitalists would not invest in an enterprise controlled by the State, subject to party legislation and change of management with every change in the administration of our State government. The element of stability and permanence, the foundation of all sound railroad securities, was wanting.

The State's stock has now been bought, and the control and management of the affairs of the Company will to-day go into the hands of gentlemen of ample means and the highest character—native North Carolinians—and thoroughly identified with her in all her interests. Most of them are men whose homes and families and fortunes are here; who desire above all things to see their native State take her position beside the most advanced of her Southern sisters, and who wish to hand down to their sons a pride in her name and an inheritance in her soil which will keep them here instead of seeking their fortunes in other States.

The completion of this work of internal improvement will develop more of her mineral and manufacturing resources, a large agricultural area, and add more to her wealth, prosperity and population than all her other roads have done. As now projected, it embraces a continuous line of railway for 250 miles in the direct route from Cincinnati to Wilmington, with the assurance of the ultimate connection of those cities by a road more than 100 miles shorter than any other from Cincinnati to the seaboard, and bisecting the great North and South lines passing through the State; the Yadkin Valley branch, reaching out 83 miles from the main line, through the fairest portion of North Carolina, to a connection at Patterson with the Caldwell and Watauga road, now under construction to the Cranberry mines, to Bristol and the immense iron and coal deposits of Tennessee and West Virginia; and the two short branches to Deep River and Danbury, about 10 miles each: making altogether 350 miles of railroad extending diagonally across the State from north-west to south-east, and terminating at our own sea-port at Wilmington. When completed in its entirety, we will have a North Carolina system, not only in name but in reality,

the far-reaching possibilities of which in her future development no one can estimate.

It is due to the officers and employees of the Company to say that they have at all times manifested a commendable interest in the affairs of the Company and the progress of the work, and have been diligent and faithful in the discharge of their duties.

Respectfully submitted,

JULIUS A. GRAY, PRES'T.

# CHIEF ENGINEER AND GENERAL SUPERINTENDENT'S REPORT.

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FAYETTEVILLE, N. C., April 1st, 1883.

*To the President and Directors of the Cape Fear & Yadkin  
Valley Railway Company:*

GENTLEMEN:—I submit the following annual report of the operations of the road for the year ending February 28th, 1883:

|                                               |   |   |   |   |          |    |
|-----------------------------------------------|---|---|---|---|----------|----|
| Gross receipts,                               | - | - | - | - | \$46,940 | 84 |
| Operating expenses,                           | - | - | - | - | 37,258   | 13 |
| Increase in receipts compared with last year, |   |   |   |   | 3,225    | 32 |
| Operating expenses increased,                 | - | - |   |   | 5,481    | 14 |

The increase in operating expenses is to be attributed to the fact that twelve thousand more cross-ties were used last year—the total number being 23,649—and more new iron and steel rails were put in track than during the year previous. It is estimated that eighteen thousand new cross ties will be required for the present year upon the running portion of the road, exclusive of the number required for the laying of track on the western and southern division.

The rails on portions of the track are much worn, and at least 200 tons of new rail are needed to put the road in a good condition. This would reduce the wear and tear to the motive power and rolling stock at least 30 per cent., and reduce, in future, the expense on the maintenance of way. The necessity for new rails between the depot at Fayetteville and the landing on Cape Fear River is immediate, and ought to be attended to as soon as it can be done.

The bridges and trestles are all in good and perfectly safe condition. During the past year X bracing, secured by bolts, has been added to all of the trestles. This gives additional security to them, and, at same time, enables section

masters to more easily keep them in line. It is suggested that the long trestles at Upper Little River, Buffalo, and one near Egypt depot, be filled up as soon as the work can well be done. While those trestles can be, and always are, kept in good repair, the work upon them is expensive, and ought to be dispensed with, by filling up, as soon as the means of the Company will justify it.

The bridge over Deep River ought to be painted, and one over Upper Little River ought to be repainted and a new tin roof put on it.

The locomotive Chatham needs repairs. A good deal of the work necessary for it is already prepared in the shop, and will be put upon it as soon as it can be spared from the road.

The Clarendon is in good repair and able to do good service on the road for at least one year hence.

The Sapona has recently been repaired, but not thoroughly. The repairs that have been given it will enable it to do two years' work for material train in ditching, transporting material, &c., for the road.

During last August a new locomotive was purchased by your Company from the Rogers' Locomotive Works, Paterson, N. J. On October 2nd it made its first regular trip over the road, and has been in service, almost uninterruptedly, ever since that time. It has worked well, and has performed, it is thought, all that its builders promised. It cost, delivered on the road, \$12,750. Cylinders 15x24, weight 68,000 pounds.

Your rolling stock consists of four passenger coaches—two of them in very good condition and two in excellent condition, two baggage, mail and express cars—both in good condition, twelve flat cars, six box cars, one stock car, and one shanty car for use on repairs and construction of road. In addition, there are eight ditching cars, ten section cars and one crank car.

Having in view the fact that it is intended to lay the track both to Greensboro' and the South Carolina line during the present year, it may not be amiss, in this connection, to suggest the additional motive power and rolling stock that

may be immediately required for transportation and general repairs when these divisions of the road are completed, which are as follows: Two locomotives, twenty-five box cars, two passenger coaches, one baggage, mail and express car, twenty platform cars, and ten ditching cars on low wheels and trucks. There are also needed about thirty new axles with wheels fitted to them, and six new steel frogs for turn-outs. A new water tank, water wheel and house for pump will soon be required at Fayetteville.

The purchase of two planers and a circular saw for shops would hasten repairs to cars, and enable them to be given with more economy than at present.

As stated in the report preceding this, the grading is completed to Greensboro', and all the bridges and trestles constructed with the exception of a trestle over the head of Rocky River and one over South Buffalo, near Greensboro'. These two pieces of timber construction are all that remain to be completed between Gulf and Greensboro', excepting cattle guards that may be required and station houses. The bridges over Bear and Tick Creeks, between Gulf and Ore Hill, ought to be painted.

The grading from Gulf to Greensboro' having been completed some length of time, it will require work at some points to put it in proper condition to receive the track. The injury that has accrued to it from disuse, and a consequent lack of attention, will amount to possibly 10 per cent. of original cost.

It is not thought that the grading south of Fayetteville will cost a much larger per cent. to prepare it for track-laying, for the reason that, while it has been longer unused, the original width of road bed was twelve feet against eight on western division.

On January 1st, 1883, the total amount of estimates returned to the State Treasurer, for work done by convicts from North Carolina Penitentiary up to that date, was \$107,027.46. Amount of work done from January 1st to March 1st, 1883, approximates to \$3,070.00.

On that portion of the grading from the Oil Mill, on Belew's creek, towards Walnut Cove, more rock has been

encountered than was expected, and the progress of the work has been retarded. About the first of last February the force of convicts commenced work west of the present stockade, to complete a gap about three and one-quarter miles in length, the only one now remaining—except a mile of light work west of Greensboro'—between the present terminus at Gulf and Walnut Cove. Upon this division there are a few sections that have been built on a grade 150' per mile. It is suggested that these grades be reduced, before and not after the track is laid, to the maximum of 110' per mile, adopted after this work was done.

As stated in a former report, no bridges or trestles have been constructed west of Greensboro'.

It is due to the officers and employees who have assisted me in this work, both on the running portion of the road and in the construction of it, to state that their aid has been faithfully and efficiently rendered—all having in view the interest of the Company.

After twenty-six years of almost uninterrupted connection with this road, during which time I have received naught but kindness from this Company and community, reasons, that I have been led to believe are for my personal benefit, have induced me to enter upon another field of work. After so long a period of service, that I hope has been acceptably rendered, I can have no other emotion than that of regret on surrendering it.

I wish abundant success to the new organization in the completion of a work fraught with so much importance and of such benefit to the State and to the Town of Fayetteville.

Respectfully submitted,

L. C. JONES,  
Chief Engineer and Sup't.

# CONDENSED FROM THE REPORT OF THE SECRETARY.

## CAPE FEAR & YADKIN VALLEY RAILWAY.

MARCH 1, 1883.

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Capital Stock,                   |              | \$718,200 00 |
|                                  | viz:         |              |
| Held by State of North Carolina, | \$550,000 00 |              |
| “ “ County of Cumberland,        | 50,000 00    |              |
| “ “ Town of Fayetteville,        | 50,000 00    |              |
| “ “ individuals,                 | 68,200 00    |              |
|                                  | <hr/>        | \$718,200 00 |

EARNINGS FROM MARCH 1, 1882, TO MARCH 1, 1883.

|                  |             |             |
|------------------|-------------|-------------|
| Local Freight,   | 17,206 44   |             |
| “ Passengers,    | 7,947 75    |             |
|                  | <hr/>       | \$25,154 19 |
| Through Freight, | \$16,176 47 |             |
| “ Passengers,    | 2,503 02    |             |
|                  | <hr/>       | 18,679 49   |
| Express Freight, |             | 262 34      |
| Mail Pay,        |             | 1,850 04    |
|                  |             | <hr/>       |
|                  |             | \$45,946 06 |

*Increase \$3,230 54.*

### OPERATING EXPENSES.

|                  |             |
|------------------|-------------|
| Repairs of Road, | \$15,799 86 |
| Train Expenses.  | 12,094 75   |
| Shop Expenses,   | 8,182 89    |
| Stock Killed,    | 70 50       |
| Taxes,           | 1,029 13    |
|                  | <hr/>       |
|                  | \$37,177 13 |

*Increase \$5,345 64.*

|         |            |
|---------|------------|
| Profit, | \$8,768 93 |
|---------|------------|

## LIABILITIES.

ESTIMATED AS OF APRIL 1ST, 1883.

|                                                         |                    |
|---------------------------------------------------------|--------------------|
| First Mortgage Bonds sold and delivered,                | \$ 52,650 00       |
| State of N. C.—convict work,                            | \$107,026 48       |
| Less amount paid by Company<br>for support of convicts, | 10,757 41          |
|                                                         | <hr/> 96,269 07    |
| Bills payable in New York,                              | 150,000 00         |
|                                                         | <hr/> \$298,919 07 |

## FLOATING DEBT.

CALCULATED TO APRIL 1, 1883.

|                                                                 |            |
|-----------------------------------------------------------------|------------|
| Raleigh & Augusta Air Line—freight balance,                     | \$4,015 50 |
| L. C. Jones,                                                    | 823 38     |
| Julius A. Gray,                                                 | 452 34     |
| Balance due Connecting Lines on ticket account—<br>estimated at | 400 00     |

BILLS UNPAID—*some due, others not matured, viz:*

|                                            |        |
|--------------------------------------------|--------|
| Snedeker & Co., oil,                       | 52 50  |
| Bigelow & Co., varnishes,                  | 135 50 |
| Esler & Co., oil,                          | 15 30  |
| Kent & Co., iron,                          | 58 56  |
| W. Bohannon, car and switch locks,         | 20 75  |
| J. W. Emmett, castings,                    | 33 89  |
| McMillan Brothers, general account,        | 104 83 |
| Egypt Mine, coal,                          | 40 00  |
| A. S. Huske & Co., supplies,               | 6 35   |
| Charles Haigh, “                           | 14 23  |
| Edwards, Broughton & Co., printing blanks, | 63 00  |
| W. J. Hearfield, supplies,                 | 19 90  |
| Jno. D. Williams & Co., old account,       | 139 54 |
| Walter Watson, shop work and supplies,     | 134 66 |
| C. F. Ketchum,                             | 42 00  |
| Jos. A. McArthur, wood and ties,           | 341 46 |

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\$6,913 69

## FOR WOOD AND TIES

*delivered and inspected on line of road, to be used during next financial year.*

|                                                     |            |
|-----------------------------------------------------|------------|
| R. M. Nimocks, ties,                                | \$250 00   |
| Messrs. Broadfoot, ties,                            | 300 00     |
| Campbell, Beryman & Co., ties,                      | 520 00     |
| Watson & Godfrey, ties,                             | 120 00     |
| W. A. Sloan, ties,                                  | 150 00     |
| S. H. Buchanan, ties,                               | 125 00     |
| Bryan & Co., ties,                                  | 15 00      |
| C. F. McIver, ties,                                 | 125 00     |
| A. B. Cameron, wood,                                | 67 50      |
| Various parties, estimated at 500 cords, at \$1 25, | 625 00     |
|                                                     | <hr/>      |
|                                                     | \$2,297 50 |

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 RECAPITULATION.

|                                                    |              |
|----------------------------------------------------|--------------|
| Due State—1st Mortgage Bonds and Bills Payable,    | \$298,919 07 |
| Floating Debt for unpaid bills, &c.,               | 6,913 69     |
| “ “ for wood and ties not yet put on road or used, | 2,297 50     |
|                                                    | <hr/>        |
| Total liabilities of all kinds,                    | \$308,130 26 |

JNO. M. ROSE, Secretary, &c.,  
Cape Fear and Yadkin Valley Railway.

FAYETTEVILLE, N. C., April 1, 1883.

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# APPENDIX.

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## AN ACT

TO AUTHORIZE A SALE OF THE STATE'S STOCK IN THE  
CAPE FEAR AND YADKIN VALLEY RAILWAY COMPANY,  
AND PROVIDE FOR THE SPEEDY COMPLETION OF THE  
SAME.

*The General Assembly of North Carolina do enact:*

SECTION 1. That his excellency the Governor of North Carolina, the Treasurer, the Secretary of State, and the Attorney General of said State, be and they are hereby authorized and directed, as commissioners for and in behalf of said State, to sell and assign the stock which the said State now holds and owns in the Cape Fear and Yadkin Valley Railway Company, to Robert W. Donnell and Murchison & Co., of the city of New York; A. Y. Stokes, of Richmond, Virginia; John D. Williams, E. J. Lilly and James A. Gray, John L. Morehead, J. Turner Morehead, J. F. and W. A. Moore, W. A. Lemly, W. A. Lash, D. W. C. Benbow and Julius A. Gray, of North Carolina, and such others as may be associated with them by the said persons above named, or to such of the persons above named as shall request the said transfer and conveyance to them, upon the payment by said persons of the sums as hereinafter set forth, as a condition precedent to said transfer and conveyance.

SEC. 2. That before the execution and delivery by the Governor and his associates as aforesaid, of the assignment, conveyance and transfer of the said stock in the said railway company to the said persons, the said grantees or purchasers of said stock shall pay to the treasurer of said state, in cash, the sum of fifty-five thousand dollars (\$55,000) as the purchase money for said stock, and they shall also pay to said treasurer the par value and accrued interest thereon for the thirty thousand dollars of the bonds of said company purchased by the state under the provisions of section eight of an act rat-

ified the 25th day of February, 1879, entitled "An act to change the name and authorize the consolidation of the Western Railroad Company with the Mount Airy Railroad Company, and to complete the said roads." And upon the receipt of the same, the said treasurer shall transfer and assign said bonds and interest to said grantees.

SEC. 3. The said grantees shall represent and vote upon the said stock in all meetings of said company and as private stockholders, and not subject to the limitation upon the right of the representative of the state to vote in said meetings as provided in section two of an act ratified the 19th day of December, 1870, entitled "An act to restore to the Western Railroad Company its original chartered privileges, to regulate the appointment of state directors, and to define the vote of the state in the general meetings of the stockholders of said company;" that is to say, that in all meetings of said stockholders, each share of said stock shall be entitled to one vote.

SEC. 4. That immediately after the ratification of this act by the general assembly of the state of North Carolina, a general meeting of the stockholders of said company shall be called, to which meeting shall be submitted this act as an amendment to the charter of said company for ratification or rejection by vote of the stock, other than the stock hereinbefore mentioned; and if the said company in said meeting shall accept the said amendment to its charter, and the said grantees or purchasers shall, within the next thirty days thereafter, pay over to the state treasurer the fifty-five thousand dollars as the purchase money for said stock, and pay over the purchase money for the thirty thousand dollars of the mortgage bonds of the Cape Fear and Yadkin Valley Railway Company held by the state as set forth in section two of this act, then the transfer and assignment of the state's stock shall at once be made to the said grantees or purchasers, and at the next meeting of the stockholders of the Cape Fear and Yadkin Valley Railway Company, there shall be a reorganization of said company by the election of twelve directors, the said grantees being entitled in said reorganization to vote upon the said stock as private stock;

as hereinbefore provided, and the said directors shall elect one of their number president, and such other officers as they may deem proper and necessary for the management of the affairs of said company.

SEC. 5. That the said company, so reorganized, shall have full power and authority to make a mortgage upon all of its property, effects and franchises of every kind whatsoever, to secure the payment of its bonds, and to issue bonds in such sums as it may deem proper, bearing interest at the rate of six per cent. per annum, and to run for the period of thirty years from the date thereof, to the amount of fifteen thousand dollars per mile upon each mile of said road already constructed, or which may hereafter be constructed, and of any branch or branches of said road, and that said mortgage and the bonds issued thereunder shall be a first lien, and have priority over every other claim against the company. The said mortgage, when duly executed, shall be registered in the register's office of the county of Cumberland, and registration in said county shall be deemed an effectual and sufficient registration for all purposes, and it shall not be necessary to register the same in any other county, any law to the contrary notwithstanding.

SEC. 6. That of the said mortgage bonds the said company shall pay over to the treasurer of said state the sum of one hundred and seven thousand twenty-seven dollars and forty-six cents (\$107,027.46), less ten thousand seven hundred and fifty-seven dollars and forty-one cents (\$10,757.41) paid in cash by the company for the support of convicts, in full settlement of all indebtedness of said company to said state for convict labor.

SEC. 7. That during the construction of said road the state will continue to furnish to said company all the convicts provided for in prior acts, and such other convicts as may be unappropriated, upon the same terms and conditions as the convicts have heretofore been worked on said road, and the treasurer shall receive in payment for such labor the said first mortgage bonds: *Provided*, this section shall not be held to be a contract, but shall be subject to amendment or repeal by any future legislature after the next.

SEC. 8. That the act of the General Assembly of North Carolina, ratified the 26th day of March, 1880, entitled "An act to amend the charter of the Cape Fear and Yadkin Valley Railroad Company," being chapter 18 of the acts of the General Assembly at the special session of 1880, be and the same is hereby repealed.

SEC. 9. That said company shall have full power and authority to extend the main line of its said road to the city of Wilmington and to the Virginia line, and to build any branches to said main line which may be expedient, and to subscribe to the capital stock of or purchase the bonds of any company or companies building a railroad or railroads connecting with said Cape Fear and Yadkin Valley Railway Company's line, either in or out of the state of North Carolina, and to construct and operate said connecting roads: *Provided*; that one-half of the convicts received by said company shall, from and after the 1st day of June, 1884, be kept continuously employed in grading said road north and west of Walnut Cove, in the county of Stokes, until the said road is graded to Mount Airy, Patterson and Danbury: *Provided further*, that said convicts shall not be employed on any road or branch of road, except on the main line of said railroad from Mount Airy to the South Carolina line, *via* Shoe Heel, and on the Patterson, Danbury and Franklinsville branches: *Provided, further*, that if said company shall violate the conditions and provisions of this section, as to the place of working, or the kind of work to be done by said convicts, said company shall immediately forfeit all right and claim to work said convicts, and they shall be immediately returned to the authorities of the penitentiary.

SEC. 10. That if the said Cape Fear and Yadkin Valley Railway Company will, within four years from the ratification of this act, construct and equip a branch road from some convenient point on said main line to Franklinsville, in the county of Randolph, or as near thereto as may be practicable and convenient for furnishing transportation facilities to the Deep river factories in that vicinity, the state treasurer is hereby authorized and directed to return to said company twenty-five thousand dollars of the mortgage

bonds deposited with him under sections six and seven of this act; and if the said company will construct and equip a branch from some point on said main line at or near Walnut Cove to Danbury, in the county of Stokes, within four years from the ratification of this act, the state treasurer is hereby authorized and directed to return to said company twenty-five thousand dollars of the mortgage bonds deposited with him under sections six and seven of this act; and when said company shall construct and equip the main line from Walnut Cove to the Little Yadkin river, at a point near Dalton, in the county of Stokes, the state treasurer is hereby authorized and directed to return to said company all the bonds delivered to him for convict labor done between Walnut Cove and the Little Yadkin river; and if the said company shall construct and equip the main line from Walnut Cove to Mt. Airy, in the county of Surry, within four years from the ratification of this act, the state treasurer is hereby authorized and directed to return to said company twenty thousand dollars of bonds, together with such as shall be for convict labor done between the Little Yadkin and Mt. Airy, deposited with him under sections six and seven of this act. And when said company shall construct and equip said railroad the distance of twenty miles from the junction, on the Patterson branch, the state treasurer is hereby authorized and directed to return to said company the bonds delivered to him for convict labor done in the construction of that twenty miles under sections six and seven of this act; and when said company shall construct and equip said road to a point ten miles west of the Wilkes county line, the said treasurer is authorized and instructed to return to said company twenty-five thousand dollars of the mortgage bonds deposited with him under sections six and seven of this act, and those deposited with him for convict labor done between the terminus of the above named twenty miles and the point named in Wilkes county; and if the said company shall construct and equip said road to Patterson, in the county of Caldwell, within five years from the ratification of this act, then the state treasurer is hereby authorized and directed to return to said company the remainder of the bonds delivered

to him for convict labor, under sections six and seven of this act; and should said company fail to construct and equip said roads, and sections of roads, within the times and in the manner herein specified, the bonds remaining in the hands of said treasurer shall remain the absolute property of the state.

SEC. 11. That all laws and clauses of laws in conflict with this act be and the same are hereby repealed.

SEC. 12. That this act shall be in force from and after its ratification.

In the general assembly read three times, and ratified this the 27th day of February, A. D. 1883.

## DEED TO THE NEW OWNERS.

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### NORTH CAROLINA, ss.

This deed made on this 4th day of April, 1883, by and between Thomas J. Jarvis, Governor; John M. Worth, Treasurer; William L. Saunders, Secretary of State; and Thomas S. Kenan, Attorney General, of the State of North Carolina, commissioners for and in behalf of said State, appointed by an act of the General Assembly, entitled "An act to authorize a sale of the State's stock in the Cape Fear and Yadkin Valley Railway Company, and provide for the speedy completion of the same," ratified on the 27th day of February, 1883, (acts 1883, chapter 190,) parties of the 1st part; and Robert W. Donnell and Kenneth M. Murchison (of Murchison & Co.), of the city of New York; A. Y. Stokes, of Richmond, Va.; and John D. Williams, E. J. Lilly, J. Turner Morehead, W. A. Lash, D. W. C. Benbow, Julius A. Gray, and their associates, Robert T. Gray and Eugene Morehead, of North Carolina, to whom the grantors are requested under said act to execute this deed, parties of the second part; *Witnesseth*—That the parties of the first part, by virtue and in execution of the power and authority to them given by said act, and in consideration of the sum of \$55,000, and also in consideration of the further sum of \$33,675 (par value and accrued interest on the \$30,000 of bonds of said company, purchased by said State under the provisions of section 8, of the acts of 1879, chapter 67,) paid to the Treasurer of said State by the parties of the second part in conformity to the provisions of said act, the receipt of which is hereby acknowledged, have bargained, sold, assigned and transferred to the said parties of the second part and their assigns, all the stock held and

owned by the State of North Carolina in the Cape Fear & Yadkin Valley Railway Company, to have and to hold the same unto the said parties of the second part and their assigns. [Here follow the signatures, certificate of the clerk of the court, etc.]

# ROLL OF STOCKHOLDERS.

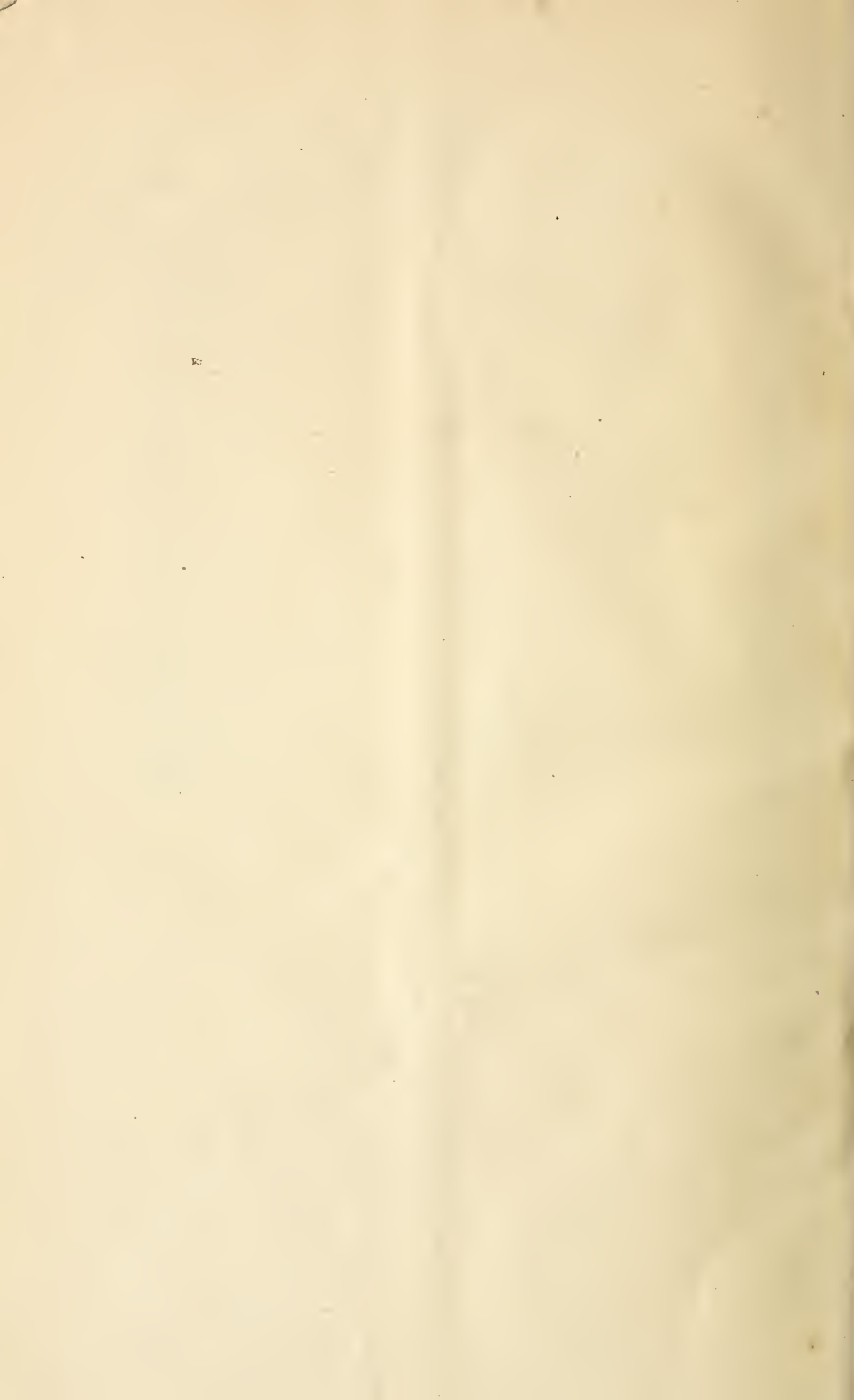
APRIL 5, 1883.

| STOCKHOLDERS' NAMES. NO. SHARES.       | STOCKHOLDERS' NAMES. NO. SHARES.       |
|----------------------------------------|----------------------------------------|
| Bow, William..... 2                    | Howze, B. J..... 1                     |
| Brantley, Della..... 5                 | Hurt, A. P..... 1                      |
| Baker, John W..... 2                   | Haughton, L. J..... 9                  |
| Beasley, John M..... $\frac{1}{2}$     | Hollingsworth, J. W..... 36            |
| Bryan, Robert K..... 5                 | Johnson, Alex..... $1\frac{1}{2}$      |
| Bryan, Elias..... 4                    | Jessup, M. W..... $2\frac{1}{2}$       |
| Buxton, H. H..... $2\frac{1}{2}$       | Jones, L. C..... 5                     |
| Blocker, O. H..... 2                   | Kyle, James..... $7\frac{1}{2}$        |
| Benbow, D. W. C..... 28                | Kyle, Jesse K..... $12\frac{1}{2}$     |
| Campbell, A. M..... 1                  | Kyle, W. E..... 1                      |
| Clark, Daniel..... $\frac{1}{2}$       | Leach, J. Q. A..... 1                  |
| Carmon, Joshua..... 2                  | Lutterloh, T. S..... $14\frac{1}{2}$   |
| Cumberland County..... 500             | Lazarus, E. M. & Co..... 5             |
| Cotton, S. W..... $4\frac{1}{2}$       | Lee, James R..... $2\frac{1}{2}$       |
| Council & Ray..... $1\frac{1}{2}$      | Lucas, Mrs. M. J..... 1                |
| Collahan, J. C..... $\frac{1}{2}$      | Lett, John W..... $\frac{1}{2}$        |
| Caldwell, D. F..... $17\frac{1}{2}$    | Littlefield, M. S..... 2               |
| Curtis, Dennis..... $2\frac{1}{2}$     | Lilly, E. J..... $2\frac{1}{2}$        |
| Cedar Falls Manufacturing Co.. 2       | Lee, T. F..... $1\frac{1}{2}$          |
| Dodd, Isaac..... $\frac{1}{2}$         | Lash, W. A..... 5                      |
| Duffy, P. F..... $\frac{1}{2}$         | McKethan, A. A..... 21                 |
| Dixon, T. C..... 2                     | McLaurin, D. & W..... 6                |
| Deep River Manufacturing Co.. 2        | McLaurin, William..... 1               |
| Evans, Theophilus..... $\frac{1}{2}$   | McDonald, John A..... $2\frac{1}{2}$   |
| Egert, G. C..... 1                     | McLaurin, John..... $3\frac{1}{2}$     |
| Foushee, W. F..... $1\frac{1}{2}$      | McNeill, George..... 17                |
| Fuller, Elijah..... 2                  | McRae, D. G..... $2\frac{1}{2}$        |
| Franklinsville Manufactur'g Co. 2      | McRae, John..... 5                     |
| Graham, Hugh..... 1                    | McRae, James A..... 1                  |
| Gillis, David..... 1                   | McLean, J. P..... 1                    |
| Graham, G. A..... $2\frac{1}{2}$       | Massey, T. H..... 1                    |
| Guthrie, W. A..... $2\frac{1}{2}$      | McDiarmid, W. J..... $\frac{1}{2}$     |
| Gilmer, John A..... $\frac{1}{2}$      | McDiarmid, Daniel..... $25\frac{1}{2}$ |
| Gray, Julius A..... 104                | Morrison, Duncan..... 1                |
| Gray, J. A., and his associates. 5,500 | McPherson, Jas. M..... 1               |
| Haigh, Jno. C..... $2\frac{1}{2}$      | McPherson, Hugh..... $1\frac{1}{2}$    |
| Hawley, Samuel T..... 1                | Monroe, Christopher..... $\frac{1}{2}$ |
| Hinsdale, Samuel J..... $2\frac{1}{2}$ | Murchison, J. R..... 8                 |
| Houston & Overby..... 1                | McNatt, Daniel..... $2\frac{1}{2}$     |
| Hodges, Geo. S..... 1                  | McRae, J. C..... $\frac{1}{2}$         |
| Huske, Wm..... 1                       | Moore, E. F..... $2\frac{1}{2}$        |
| Hale, E. J..... 20                     | Martine, James..... 1                  |
| Huske, Robert S..... $1\frac{1}{2}$    | Mendenhall, C. P..... 1                |
| Harris, Brooks..... 5                  | McIver, J. D..... $\frac{1}{2}$        |
| Hill, N. M..... 5                      | Morris, Jones & Co..... 5              |
| Hall, H. G..... $1\frac{1}{2}$         | Mason, J. B..... $2\frac{1}{2}$        |
| Hinsdale, J. W..... $2\frac{1}{2}$     | Nicholson, J. J. & Son..... 5          |

## LIST OF STOCKHOLDERS—CONTINUED.

| STOCKHOLDERS' NAMES.         | NO. SHARES.     | STOCKHOLDERS' NAMES.      | NO. SHARES.     |
|------------------------------|-----------------|---------------------------|-----------------|
| Newby, G. C.....             | 1               | Scanlin, R. T.....        | 1               |
| Nicholson, J. G.....         | $\frac{1}{2}$   | Shaw, John.....           | $1\frac{1}{2}$  |
| Orrell, D. D.....            | $\frac{1}{2}$   | Tillinghast, W. N.....    | $1\frac{1}{2}$  |
| Orrell, R. M.....            | $\frac{1}{2}$   | Taylor & Buie.....        | 2               |
| Pearce, B. F.....            | $\frac{1}{2}$   | Tomlinson, W. H.....      | 1               |
| Prior, Warren.....           | $1\frac{1}{2}$  | Town of Fayetteville..... | 500             |
| Pemberton, J. A.....         | 1               | Tysor, O. A.....          | $2\frac{1}{2}$  |
| Pemberton, E. L.....         | 16              | Troy, W. C.....           | $\frac{1}{2}$   |
| Poe, J. C.....               | $\frac{1}{2}$   | Tally, S. J.....          | 1               |
| Pemberton, M. E.....         | 3               | Utley, Joseph.....        | $2\frac{1}{2}$  |
| Perkins, D. & Co.....        | $12\frac{1}{2}$ | Underwood, D. J.....      | $2\frac{1}{2}$  |
| Proctor, E. K.....           | $\frac{1}{2}$   | Vann, J. M.....           | 1               |
| Quigley, Thomas.....         | $3\frac{1}{2}$  | Voorhees, W. D.....       | 7               |
| Rose, Lilly.....             | 3               | Winslow, Warren.....      | $2\frac{1}{2}$  |
| Rily, Jno.....               | $2\frac{1}{2}$  | Williams, G. W. & Co..... | 2               |
| Rose, W. A.....              | 1               | Williams, G. W.....       | 1               |
| Rose, Jno. M.....            | $6\frac{1}{2}$  | Warden, J. T.....         | 1               |
| Robinson, B. W.....          | 5               | Warden, Wm.....           | $\frac{1}{2}$   |
| Robbins, M. S.....           | $\frac{1}{2}$   | Wright, W. B.....         | 1               |
| Richardson, W. B.....        | $2\frac{1}{2}$  | Whitehead, W.....         | $\frac{1}{2}$   |
| Ray, D. A.....               | $1\frac{1}{2}$  | Williams, J. M.....       | $\frac{1}{2}$   |
| Robinson, L. L.....          | 50              | Williams, J. D.....       | $13\frac{1}{2}$ |
| Ray, N. W.....               | $1\frac{1}{2}$  | Williams, J. A.....       | $1\frac{1}{2}$  |
| Randolph Manufacturing Co... | 2               | Wright, C. G.....         | $\frac{1}{2}$   |
| Strange, J. W.....           | 2               | Worth, Jos. A.....        | $1\frac{1}{2}$  |
| Strange, Robert.....         | $1\frac{1}{2}$  | Worth, Jonathan.....      | $4\frac{1}{2}$  |
| Smith, S. L.....             | 4               | Worth, D. G.....          | $4\frac{1}{2}$  |
| Starr & Williams.....        | $2\frac{1}{2}$  | Yates, W. J.....          | $\frac{1}{2}$   |
| Scott, Jno.....              | $2\frac{1}{2}$  | Zimmerman, Z. B.....      | $6\frac{1}{2}$  |
| Slocomb, A. H.....           | 1               |                           |                 |
| Smith, J. B.....             | $1\frac{1}{2}$  | Total Shares.....         | 7,182           |









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